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Financing of the United Nations Organization Mission in the Democratic Republic of the Congo

Proposed budget for the United Nations Organization Mission in the Democratic Republic of the Congo for the period from 1 July 2003 to 30 June 2004

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the proposed budget for the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) for the period from 1 July 2003 to 30 June 2004 (A/58/381). During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information and clarifications.

2. At its winter 2003 session, the Advisory Committee had before it proposed initial and revised budgets for MONUC for the period from 1 July 2003 to 30 June 2004 (A/57/683 and Add.1). However, as noted in paragraph 3 of its report (A/57/772/Add.10) on those documents, the Committee was informed that the Secretary-General would submit a report to the Security Council in May 2003 that would contain recommendations for an expanded role and new tasks for MONUC and that a new budget would be submitted for consideration that would reflect such action as the Council might take. Accordingly, the Committee recommended that the budget be maintained at $582 million and that the staffing table be maintained at 1,695 posts pending action by the Council and the submission of a new budget. The Committee also annexed detailed observations and recommendations to its report to be taken into account in the preparation of the new budget for 2003/04.

3. The mandate of MONUC is contained in paragraph 7 of Security Council resolution 1291 (2000) of 24 February 2000. In that resolution, the Council authorized the expansion of MONUC to consist of up to 5,537 military personnel, including up to 500 military observers or more, as deemed necessary by the Secretary-General. Subsequently, in its resolution 1445 (2002) of 4 December 2002,

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the Council authorized the expansion of MONUC to consist of up to 8,700 military personnel, principally comprising two task forces, to be deployed in phases. By its resolution 1493 (2003) of 28 July 2003, the Security Council expanded the mandate of MONUC and extended it to 30 July 2004. The Council also noted with appreciation the recommendations contained in the second special report of the Secretary-General on MONUC of 27 May 2003 (S/2003/566 and Corr.1) and authorized an increase in the military strength of MONUC to 10,800 personnel.

4. The proposed new budget for MONUC for the period from 1 July 2003 to 30 June 2004 (A/58/381) was prepared on the basis of the mandate of the Security Council in its resolution 1493 (2003). The Advisory Committee notes, as indicated in the summary of the proposed new budget, that the new estimates supersede the budgetary proposals contained in the previous reports of the Secretary-General on the financing of MONUC (A/57/683 and Add.1). The Committee has examined the estimates in the light of developments since the submission in May of its report on the previous estimates (A/57/772/Add.10).

II. Information on performance

5. The Advisory Committee was informed that, as at 30 September 2003, a total of $1,533,940,600 had been assessed on Member States in respect of MONUC since its inception. Payments received as at the same date amounted to $1,294,754,200 leaving an outstanding balance of $239,186,400. The cash position of the Mission as at that date was $249,900,000, and unliquidated obligations for the period from 1 July 2003 to 30 June 2004 amounted to $227,983,100.

6. The Advisory Committee was also informed that cost reimbursements for troops and formed police up to 24 September 2003 totalled $98,654,300, while the amount owed for the month of August was $7,321,400. With regard to contingent-owned equipment, the Committee was informed that, as at 24 September, an amount of $15,972,300 had been reimbursed, and the amount owed up to 31 August was $52,892,900, while unliquidated obligations totalled $68,646,300. In respect of death and disability compensation, $261,000 had been paid as at 24 September for six claims, two claims were pending and unliquidated obligations amounted to $2,877,700.

7. The Advisory Committee was provided with the following incumbency statistics for MONUC as at 30 September 2003:

Posts	*Authorized*[a]	*Encumbered*	*Vacancy/delayed deployment rate (percentage)*
Military observers	760	746	2
Military contingents	10 040	8 048	20
Civilian police	182	81	55
International staff	715	611	15
National staff	762	729	4
United Nations Volunteers	212	228	(8)

[a] Represents the strength approved for the period.

8. The Advisory Committee was also provided with expenditure data for the period from 1 July 2003 to 30 June 2004. Expenditures for the period as at 30 September 2003 amounted to $274,757,300 gross. Expenditures consisted of disbursements of $46,774,200 and unliquidated obligations of $227,983,100 against an apportionment of $582 million. **The Committee has expressed concern in the past about the need to monitor obligations; high levels of unliquidated obligations can be signs of a lack of proper planning and control (see also A/57/772/Add.10, annex, para. 7).**

III. Proposed budget for the period from 1 July 2003 to 30 June 2004

A. General comments

9. **The Advisory Committee commends the Secretariat for its attempt to prepare the estimates using results-based-budgeting techniques and encourages further improvement, taking into account the views expressed by the Committee in its previous reports on peacekeeping operations (A/57/772 and Add.10).**

10. **The Advisory Committee welcomes the information provided in section V of the new proposed budget report concerning follow-up action taken to implement requests and recommendations of the Committee, but notes also that the observations of the Committee are not fully covered therein and considers that some of the responses are inadequate (see, e.g., paras. 12 and 13 below).** The Committee recognizes that there has not been enough time to implement all of its recommendations and that many of them will have to be addressed in the context of the next budget estimate after budget performance results are available. **The observations of the Committee contained in its general report on peacekeeping operations (A/57/772) and in its report on the financing of MONUC (A/57/772/Add.10) remain valid and have been taken into account in the recommendations set out in the present report.**

11. **In future, the Advisory Committee recommends that information on action taken to implement the Committee's recommendations be incorporated into the narrative of the budget document and that section V be refashioned into an index that would serve as a guide to the relevant section of the narrative.**

12. **The Advisory Committee reiterates its observation that there has been a continuing and serious trend of overbudgeting for the Mission, despite the reductions recommended by the Committee (see A/57/772/Add.10, annex, para. 5).** Upon request, the Advisory Committee was provided with expenditure data for the period from 1 July 2002 to 30 June 2003 (see annex below). As indicated, expenditure for the period amounted to $479,952,000 gross against an apportionment of $581,933,500 gross, an underexpenditure of nearly $102 million. The Committee recalls that, in the original budget submission for that period, requirements were estimated at $603,911,000 gross (see A/56/897, table 1), which the Committee recommended reducing by $21,977,536 gross to $581,933,464 (see A/56/887/Add.11, para. 74). The expenditure of $479,952,000 is therefore $123,959,000, or approximately 20.5 per cent, less than the amount initially

estimated for the period. Similarly, as noted previously by the Committee (see A/57/772/Add.10, annex, para. 3), the original budget proposal for the 2001/02 period was $537.1 million gross. The Committee recommended an appropriation of $450 million gross (see A/56/845, para. 83), or a reduction of $87.1 million. Expenditure for the period amounted to $388.8 million, approximately $148 million, or 28 per cent, less than the amount initially estimated.

13. **Furthermore, although the issue of overbudgeting is addressed in section V of the proposed budget, the Advisory Committee does not consider the response adequate. There is an indication that a review has been undertaken, but no specific information is provided concerning the results of the review or specific action taken in response to those results.**

B. Resource requirements

14. As indicated in the proposed budget for MONUC, resource requirements for the period from 1 July 2003 to 30 June 2004 are estimated at $675,038,300 gross ($661,771,300 net), excluding voluntary contributions in kind in the amount of $2,274,000 (see A/58/381, sect. II.A). The estimate represents an increase of $93,104,800, or 16 per cent, in gross terms in relation to the apportionment for the period from 1 July 2002 to 30 June 2003 and an increase of $40,269,400 over the initial estimates submitted for the current period (see sect. II.A.1 of A/57/683 and A/57/683/Add.1). The estimate includes increases of $77,767,000, or 41 per cent, for military and police personnel; $11,628,200, or 11.9 per cent, for civilian personnel; and $3,709,600, or 1.3 per cent, for operational costs.

15. The estimate provides for 760 military observers, 10,040 military contingents, 182 civilian police, 938 international staff, 1,299 national staff and 419 United Nations Volunteers.

1. Military and police personnel

16. The Advisory Committee was provided with a table showing the status of expenditure for MONUC for the period 2003/04 as at 24 September 2003, which showed expenditures of $31.4 million out of the $227.7 million apportioned under military and civilian police personnel. Upon enquiry, the Committee was informed that the $31.4 million did not reflect the full picture, as it did not include fully obligated amounts for troop costs. The Committee was subsequently provided with a replacement table showing expenditure as at 30 September, which did include the fully obligated amounts for troop costs, bringing the level of expenditure to $151,460,900. **The Committee expresses concern that incomplete information can hinder its examination of the estimates in a timely manner and its formulation of recommendations based on facts. The Committee insists that it be provided in future with the most up-to-date expenditure and obligation information so that it may examine the estimates without requesting further clarification.**

17. The estimate of $266,930,300 for military and police personnel costs represents an increase of 41.1 per cent ($77,767,000) over the appropriation of $189,163,300 for the 2002/03 period. The variance is due to the increase, in accordance with Security Council resolution 1493 (2003), in the number of military and police personnel from 5,637, including 100 civilian police (the number that had

been authorized by the Council, in its resolution 1291 (2000), when the 2002/03 budget for MONUC was approved), to 10,982, including 182 civilian police, authorized for 2003/04 (see A/58/381, sect. II.B.1).

18. The Advisory Committee was informed that it was the intention of the Secretary-General to deploy military personnel to full strength by 30 June 2004. As at 30 September 2003, 8,794 military personnel and 81 civilian police were on board (see para. 7 above). The Committee notes that the delayed deployment rate for military contingents is currently 20 per cent. The Committee was informed that a delayed deployment factor of 25 per cent had been applied for a number of cost elements in respect of military contingent personnel, including troop cost reimbursement, recreational leave allowance, daily allowance, rations and reimbursement for contingent-owned equipment.

19. In the experience of the Advisory Committee, however, projected deployment rates for MONUC have traditionally proven optimistic when compared with actual implementation rates. **The Committee therefore doubts that the full additional amount of $77.7 million will be needed before the end of June 2004. It is also the experience of the Committee that, while the reimbursement of military and equipment costs is fully obligated during the financial period, for a variety of reasons, savings are traditionally realized in amounts previously obligated (see, e.g., A/57/772, paras. 60-76, regarding the management of contingent-owned equipment arrangements).**

20. The estimate for military observers amounts to $41,393,500, a decrease of $7,187,900, or 14.8 per cent, in comparison with the apportionment for the 2002/03 period. The decrease is due to the reduction in the number of military observers from 810 to 760. The Advisory Committee was informed that no delayed deployment factor had been applied for military observers; however, incumbency as at 30 September 2003 was 746, for an actual delayed deployment rate of 2 per cent.

21. The cost estimate for travel related to the emplacement, rotation and repatriation of military and police personnel amounts to approximately $29 million. The overall increase of $3,740,700 under this item, in comparison with the apportionment for 2002/03, includes an increase of $7,743,900 for military contingents, offset in part by decreases of $3,973,100 for military observers and $30,100 for civilian police. The decrease for military observers is due to the decrease in the number of observers from 810 to 760. The Advisory Committee enquired as to the extent to which it would be possible to transport troops that come from the region using United Nations-owned aircraft rather than charter aircraft. The Committee was informed that at present the Mission had only one fixed-wing passenger aircraft that would be suitable for troop movements outside of the mission area and that the use of that aircraft for such purposes would be at the expense of internal support operations. However, the Mission's aircraft fleet is to be expanded shortly through the contracting of additional fixed-wing passenger aircraft, which would increase the capacity of the Mission to take on such flights. **The Committee requests the Mission to explore this possibility.**

22. The estimate for rations amounts to $17,340,800, an increase of $4,166,300 over the apportionment for 2002/03. The variance is based on the increase in the number of contingent personnel to 10,040 and a delayed deployment factor of 25 per cent. In its previous report on MONUC, the Advisory Committee commented in some detail on the issue of delivery of rations. It had been informed of an additional

requirement of $7.2 million in connection with the use of the contractor's aircraft to distribute rations.[1] The Committee had requested the Secretariat to consider possible alternatives to this arrangement and to properly justify the results in the new budget submission for MONUC (see A/57/772/Add.10, annex, paras. 25 and 26). The proposed budget (A/58/381) contains no information on follow-up to the Committee's recommendations on this issue. The Committee understands that MONUC is currently delivering rations. The Committee was informed that, as a consequence of the increase in the authorized troop strength, the reconfiguration of the deployment of military contingents and the projected opening of a third warehouse, in Uganda, the results of a previously undertaken cost-benefit analysis were no longer valid. The Mission intends to conduct a new cost-benefit analysis upon receipt of a new proposal from the contractor. It was explained to the Committee that a number of considerations would be taken into account apart from the cost. Among these were the advantage of having the contractor assume all operational risks, such as food spoilage and subsequent replacement or replenishment, the efficiency and effectiveness of the supply chain management and possible additional air capacity freed up for use by the Mission.

23. The Advisory Committee notes from paragraph 84 of the proposed budget that one P-3 post and one national staff post have been budgeted to coordinate the distribution of rations to contingents from the contractor's warehouse in Kigoma, United Republic of Tanzania. The Committee requested information concerning the possibility of having rations delivered directly to troop location sites rather than to warehouses, which are owned by the contractor. The Committee was informed that the cost of operating the warehouses was included in the contract for rations. The Committee was also informed that the results of the original cost-benefit analysis mentioned above indicated that the delivery of rations to troop locations from two warehouses, in Kinshasa and Kigoma, would result in annual savings for the Organization ranging from $1.1 million to $2.1 million.

24. The Advisory Committee was informed that the per-person cost of rations was estimated at $6.20 per day, as compared with $6.34 per day in the budget submission for MONUC for 2002/03. The Committee enquired as to why there had not been a greater decrease in costs given the significant increase in the number of troops, but no satisfactory answer was provided. **In the opinion of the Committee, economies of scale should have been achieved as a result of the increase in troop strength.**

25. The estimate for contingent-owned equipment amounts to $67,230,400, of which $34,470,300 is for reimbursement for self-sustainment costs (see A/58/381, para. 6). The Advisory Committee was informed that the estimate for self-sustainment took into account actual requirements of $26.3 million in respect of troops deployed as at 31 August 2003 and included an estimated $8.2 million based on the phased deployment of troops in respect of which a 25 per cent delayed deployment factor had been applied.

26. Upon enquiry, the Advisory Committee was informed that of the 59 contingent units in place, memorandums of understanding had been signed in respect of 38 units, 15 were in the process of being reviewed and/or signed by the troop-

[1] This figure is based on a total of 7,940 troops. The increase in troop strength, in accordance with Security Council resolution 1493 (2003), would in all likelihood entail a consequent increase in the additional requirement related to the use of the contractor's aircraft for the distribution of rations.

contributing countries, 2 were being reviewed by the Department of Peacekeeping Operations, 3 were under negotiation and 1 was yet to be negotiated.

27. The estimate for reimbursement of major equipment amounts to $32,760,100, an increase of $10,262,300 over the apportionment for 2002/03 (ibid.). The Advisory Committee was informed that the increase was based on the actual troop strength as at 31 August 2003 (7,296) and the phased deployment of an additional 2,744 troops from 1 September 2003 in respect of which a 25 per cent delayed deployment factor had been applied. The Committee was given a deployment schedule, which provided for the deployment of 8,605 military contingent personnel as at 30 September and 9,875 as at 31 October. Upon enquiry as to whether the Mission was on schedule with those deployments, the Committee was informed that the deployed troop strength as at 30 September stood at 8,048 military contingent personnel as compared with the anticipated strength of 8,605. The Committee was also informed that it was expected that an additional 1,525 troops would arrive in October and a further 45 in November, bringing the total to 9,618 as at 30 November 2003.

2. Civilian personnel

28. The estimated requirements for civilian personnel for 2003/04, which provide for a total of 2,656 staff[2] (938 international staff, 1,299 national staff and 419 United Nations Volunteers) amount to $109,576,900, an increase of $11,628,200 over the apportionment for 2002/03. In the last budget document examined by the Advisory Committee, the estimate was $109,879,500 for a total of 2,435 staff (see A/57/683/Add.1, summary). The current proposal represents an increase of 223 international staff, 537 national staff and 207 United Nations Volunteers over the approved staffing for 2002/03 (see A/58/381, summary, and para. 8). The Committee was informed that the estimates reflected the application of a 10 per cent vacancy rate for national staff on board as at 31 August 2003 coupled with a 10 per cent delayed recruitment factor for proposed additional national staff. For international staff, the computation of salaries and related costs reflects a 20 per cent vacancy/turnover factor in respect of staff on board as at 31 August 2003, as well as a 30 per cent vacancy rate in respect of 331 staff (108 vacant posts plus the proposed additional 223 posts). A 10 per cent vacancy factor has been applied in respect of living allowances for United Nations Volunteers. The provision also reflects the application of approved salary scales at the G-2, step 1, level for Local level national staff and the entry-level scale for National Professional Officers. Upon enquiry, the Committee was informed that those levels were used throughout the Mission.

29. In its previous report on MONUC, the Advisory Committee noted the traditionally high vacancy rates at the Mission and expressed its belief that the vacancy factors proposed for 2003/04 were optimistic (see A/57/772/Add.10, annex, paras. 29-31). As indicated in section V of the proposed budget, vacancy rates for international staff as at 31 August 2003 had dropped to 15 per cent from the 38 per cent average noted in the Committee's report (ibid., para. 29). **The Committee trusts that efforts to increase recruitment and improve the vacancy situation will continue.**

[2] Excludes six posts (5 international and 1 national staff) for the Office of Internal Oversight Services funded from the support account for peacekeeping operations.

Organizational structure of the Mission

30. The proposed staffing establishment and structure reflect the results of a review of the Mission's staffing requirements (see A/58/381, para. 8). **The Advisory Committee notes that many small units have been established with chiefs at the P-4 level and above and very few staff for them to supervise. The administrative structure as proposed tends to inflate grade structure and exacerbate the duplication of functions.**

31. The Advisory Committee questions, for example, the rationale for setting up a separate Mandate Planning and Tracking Unit, which would appear to duplicate the work of all the other substantive units of MONUC that deal with or should be fully involved in mandate implementation, tracking and reporting. Furthermore, the Mandate Planning and Tracking Unit and the Political Analysis and Reporting Unit would appear to be responsible for more or less analogous functions. **In order to ensure that heads of divisions and units, especially at the Mission's headquarters and field stations, are fully accountable with regard to mandate implementation, they should have distinct and identifiable functions.**

32. As regards the Transition Support Unit in the Political Affairs Division, the Advisory Committee points out that the entire Mission is charged with the function of supporting the transition process in accordance with the mandate of the Security Council contained in its resolution 1493 (2003). If, however, the Unit's primary responsibility is to support the International Committee in Support of the Transition, then the grades and number of posts requested (1 D-1, 2 P-5, 3 P-4, 1 P-3, 2 P-2, 2 General Service (Other level), 1 national staff and 1 United Nations Volunteer) would seem excessive. The functions ascribed to those posts appear to combine the servicing of the Committee with substantive work done elsewhere in MONUC, such as the preparation of policy recommendations based on political activities and developments in civil society (see ibid., paras. 26 and 27). The Committee also notes that the Political Affairs Division has two D-1 posts, one of which is designated as Deputy Director of the Division and the other as the head of the Transition Support Unit. The Committee sees no reason why the Deputy Director could not have line functions over a Transition Support Unit headed by a P-5 staff member, as is the case for the Political Analysis and Reporting Unit, which is the other unit in the Division.

33. Furthermore, as can be seen from the proposed budget (ibid., para. 10 and sect. VI), a number of mechanisms have been set up to provide for direct reporting to the Special Representative of the Secretary-General. The Advisory Committee is concerned that this may weaken the role of the Deputy Special Representatives. Furthermore, the busy travel schedules of the Special Representative and the Deputy Special Representatives may render this arrangement difficult.

34. The proposed staffing of the Electoral Assistance Division provides for only three Professional and one General Service staff (ibid., para. 35). Upon enquiry, the Advisory Committee was informed that a team of electoral experts from the Electoral Assistance Division of the Department of Political Affairs was currently visiting MONUC to conduct the first phase of a two-phase electoral feasibility study. The second phase is planned for the end of October. It is anticipated that the report of the team will provide a draft outline on the electoral process. Elections are expected to be held sometime during the second half of 2005. The Committee will

revert to the issue at such time as the Secretary-General submits recommendations thereon to the Security Council and the General Assembly.

35. The Advisory Committee notes that staffing of the Division of Disarmament, Demobilization, Repatriation, Resettlement and Reintegration is to consist of 21 international staff, 10 national staff and 12 United Nations Volunteers (ibid., paras. 37-39). On the basis of the information provided during its hearings with the Special Representative and other representatives of the Secretary-General, as well as the information contained in the estimates, the Committee concludes that neither the disarmament, demobilization and reintegration programme, which is directed at Congolese combatants, nor the disarmament, demobilization, repatriation, resettlement and reintegration programme, which is to deal with foreign combatants in the Democratic Republic of the Congo, is effectively operational. The estimates are therefore based on the best guess of what could be required from the assessed budget.

36. The proposed staffing of the Human Rights Section provides for 42 international staff, 31 national staff and 20 United Nations Volunteers (ibid., paras. 54-56). No mention is made in the proposed budget of cooperation and coordination between this section and other United Nations entities dealing with human rights in the region, such as the Office of the United Nations High Commissioner for Human Rights and special rapporteurs of the Commission on Human Rights. **The Advisory Committee stresses the importance of such cooperation in order to avoid duplication of work, and requests that information on this issue be included in the next budget submission.**

37. **In view of its comments in paragraphs 30 to 36 above, the Advisory Committee requests that the organizational structure be re-examined with a view to streamlining processes and avoiding duplication.** The Special Representative of the Secretary-General informed the Committee that a review of the senior structure of the Mission would be undertaken towards the end of the financial period, including the requirement for two Deputy Special Representatives. **The Committee welcomes this information and requests that its observations in the foregoing paragraphs be taken into account in this and in the broader review it has requested.**

Recruitment and delegation of authority

38. Upon enquiry, the Advisory Committee was informed that the Director of Administration of MONUC had not been granted delegation of authority for the recruitment of international staff. In this connection, the Committee recalls the opinion it expressed in its general report on peacekeeping operations that missions should have greater authority in the hiring and management of staff (A/[illegible]772, para. 84).

39. The Advisory Committee also recalls that it had been informed that when the new staff selection system (Galaxy) was implemented, the time frame for filling vacancies in peacekeeping operations would be reduced (ibid., para. 79). Upon enquiry concerning progress in that regard, the Committee was informed that the Department of Peacekeeping Operations was undertaking a pilot project together with the Office of Human Resources Management to test the Galaxy system in the peacekeeping context. The results to date have not been positive: the system is proving to be very labour-intensive, as it has no means of screening applicants'

qualifications, and therefore many applications (in one case 400 applications for one post) had to be reviewed to determine whether the applicant possessed the minimum qualifications for the post. The Department is therefore currently using its own separate system in which vacancies are posted on the Department's web site, which can be accessed through a link from the Galaxy system.

40. **The Advisory Committee requests that progress made on the management of vacancies and the timely recruitment and placement of mission personnel be reported in the context of the next budget submission. The Committee will review the implementation of the Galaxy system in peacekeeping operations when it considers the proposed budget of the support account for peacekeeping operations in February 2004.**

3. Operational costs

41. The overall estimate for operational costs amounts to $298,531,100, an increase of $3,709,600, or 1.3 per cent, over the apportionment for the 2002/03 period (A/58/381, sect. II.A.1). The detailed comments made by the Advisory Committee on operational expenditures in its previous report on MONUC remain valid (see A/57/772/Add.10, annex, paras. 35-58).

Air transportation

42. The major expenditure under this item, accounting for $166,115,800, or 56 per cent of the estimated requirements, is for air operations. The estimate represents an increase of $11,115,800, or 7.2 per cent, over the apportionment for the 2002/03 period. As indicated in the proposed budget, the main factor contributing to the increase is the deployment of eight additional aircraft (1 fixed-wing aircraft and 7 helicopters), bringing the Mission's fleet to 54 (25 fixed-wing aircraft and 29 helicopters) (see A/58/381, paras. 114 and 115). The requirement for additional aircraft and the reconfiguration of the Mission's fleet reflect the logistical support requirements arising from the deployment of military personnel to the Ituri region and Bunia and the deployment of additional civilian and military personnel to locations in the east of the country, as well as limitations on the use of fixed-wing cargo aircraft stemming from the insufficient length and/or quality of runways. Additional costs were partially offset, however, by reductions under helicopters as a result of the application of more realistic projections, based on experience, in respect of the utilization of contractual and those under letter-of-assist arrangements.

43. In its previous report on MONUC, the Advisory Committee commented in detail on the Mission's air operations and the airfield services contract (see A/57/772/Add.10, annex, paras. 39-50). **The Committee appreciates, in particular, the attempt made by the Secretariat to justify the need for technical, administrative and management staff with functions relating to air operations.**

44. Upon request, the Advisory Committee was provided with a progress report on its recommendation that the Secretariat examine and clarify the various methods for costing block hours, together with the relative merits of commercial hiring versus letter-of-assist arrangements (see ibid , para. 43). The Committee was informed that the current practice of contracting for the guaranteed flying hours was in compliance with industry norms and that deviation from such norms entailed the risk of

attracting fewer carriers, narrowing the spectrum of available bidders, and that it could expose the Organization to undesirable liabilities.

45. The Advisory Committee was informed that for 2003 the basis for evaluating bids had changed, with awards going to carriers whose anticipated utilization represented the lowest cost, rather than to the operator with the lowest price for the maximum number of flying hours. The Committee was also informed that the number of guaranteed flying hours was determined as realistically as possible to avoid the risk of underutilization. In addition, the contracts provided for utilization of guaranteed hours on an annual basis so that unused hours from one month would be carried forward for use in subsequent months.

46. The Advisory Committee was further informed that the procurement of long-term air transportation services through letters of assist had proven to be more costly, as the Mission was obliged to provide accommodation and food for aircrews that were not included in the cost of flying hours. Furthermore, commercial air carriers operating under wet-lease contracts were responsible for aircraft maintenance and insurance costs, as well as for crew rotation costs.

47. **The Advisory Committee understands from the information provided to it that the examination of the issues mentioned in paragraphs 44 to 46 above is ongoing. The Committee requests that a further progress report be provided in the context of the next budget submission.**

48. The Advisory Committee questioned the operational necessity of having five small aircraft, and was informed that adjustments to the air fleet would be made in the near future. **The Committee recommends that the Mission examine the possibility of obtaining more versatile aircraft.**

49. **The Advisory Committee also requests that the next budget submission contain information on progress achieved in increasing the capacity to move personnel and material by land and river with a view to mitigating the expanding use of costly air assets. The Committee has commented in previous reports on the need for critical investment in this area (see A/56/887/Add.11, para. 61, and A/56/845, para. 72). The Committee considers that such investment should involve not only short-term mission requirements, but also long-term investment by partners in the international community operating in the mission area. The Committee stresses the importance of close cooperation among all the United Nations entities in the region in this matter.**

50. **The Advisory Committee further requests that the Mission look into the feasibility and cost-effectiveness of outsourcing medical evacuations and report thereon in the context of the next budget submission for MONUC.**

Ground transportation and information technology equipment

51. **On the basis of additional information provided to the Advisory Committee concerning ratios for vehicles and information technology equipment, the Committee observes that, in view of the air transportation available to the Mission, there is a need to examine more critically the justification for continuing without modification the use of standard vehicle ratios for MONUC. The Committee requests that this issue be addressed in the next budget submission. Furthermore, the Committee questions the need for one computer for every two national staff, given the fact that many national**

staff are drivers or perform other functions that would not require electronic data-processing equipment. The Committee also questions the provision of computers and printers to contractual staff.

Travel and training

52. The Advisory Committee was provided with a breakdown of travel costs for both training and non-training purposes. The bulk of the estimate for non-training travel, which amounts to $3,062,027, is for travel between New York and the Mission for planning and assessment purposes or for administrative or technical support. **In the opinion of the Committee, the need for much of this sort of travel could be reduced through greater use of videoconferencing, especially between the Mission and New York.** The Committee has commented on this matter in its general report on peacekeeping operations (see A/57/772, paras. 123 and 124). The Committee also notes that in many instances more than one staff member is to travel to the same meeting. **The Committee believes that some savings could be achieved by reducing the number of staff travelling to the same meeting.**

53. The estimate for training amounts to $1,103,203, including $880,791 for travel, and provides for the training of 1,278 staff. The Advisory Committee notes that a number of training courses are scheduled in locations that are quite a distance from mission headquarters in places such as Singapore and the United States of America (e.g., California and Georgia). **The Committee is of the view that nearer training opportunities could be found, thus reducing the cost of travel-related training**. The Committee has commented extensively on training issues in the peacekeeping operations in its general report (see A/57/772, paras. 127-133), as well as in its report on the financing of MONUC (A/57/772/Add.10, annex, para. 58). The Committee will follow up on this issue in the context of its next general report on peacekeeping operations.

Regional and liaison offices

54. **The Advisory Committee emphasizes the need to continue to review the level of resources and the rationale for the number of regional and liaison offices in the light of both developments and progress achieved in mandate implementation.**

IV. Recommendations of the Advisory Committee

55. The action to be taken by the General Assembly in connection with the financing of MONUC for the period from 1 July 2003 to 30 June 2004 is indicated in paragraph 123 of the proposed budget (A/58/381). **In view of its comments in paragraphs 12, 19, 24, 27, 37 and 51 to 53 above, the Advisory Committee recommends appropriation of an amount of $59,038,300, in addition to the amount of $582 million gross ($572,289,264 net) already appropriated and assessed by the Assembly in its resolution 57/335 of 18 June 2003 for the maintenance of the Mission for the 12-month period from 1 July 2003 to 30 June 2004. The Committee's recommendation represents a reduction of $34 million, or approximately 5 per cent, with respect to the proposed requirements. The Committee further recommends that the total amount assessed for the period at this time should not exceed $582 million gross**

($572,289,264 net). The Committee will review the situation when it examines the estimates for the 2004/05 period. At that time, more information will be available on the role of the Mission in the disarmament, demobilization and reintegration programme and the disarmament, demobilization, repatriation, resettlement and reintegration programme, as well as in the electoral process.

Annex

Summary of the performance of financial resources (1 July 2002-30 June 2003)

(Thousands of United States dollars)

Category	*Apportionment*	*Expenditure*
Military and police personnel		
Military observers	48 581.4	38 669.2
Military contingents	134 444.1	115 455.6
Civilian police	6 137.8	2 848.8
Formed police units	-	-
Subtotal	**189 163.3**	**156 973.6**
Civilian personnel		
International staff	86 308.8	79 417.7
National staff	5 590.5	6 751.2
United Nations Volunteers	6 049.4	7 352.6
Subtotal	**97 948.7**	**93 521.5**
Operational costs		
General temporary assistance	-	97.2
Government-provided personnel	-	-
Civilian electoral observers	-	-
Consultants	-	-
Official travel	1 784.8	5 249.4
Facilities and infrastructure	71 962.4	50 658.4
Ground transportation	14 041.3	15 754.6
Air transportation	155 000.0	116 220.4
Naval transportation	3 903.0	2 651.5
Communications	18 690.0	15 325.7
Information technology	5 035.4	6 088.1
Medical	7 710.9	4 547.0
Special equipment	2 872.3	1 585.8
Other supplies, services and equipment	13 821.4	11 178.8
Quick-impact projects	-	100.0
Subtotal	**294 821.5**	**229 456.9**
Gross requirements	**581 933.5**	**479 952.0**
Staff assessment income	9 644.2	10 037.6
Net requirements	**572 289.3**	**469 914.4**
Voluntary contributions in kind (budgeted)	2 747.4	1 780.2
Total requirements	**584 680.9**	**481 732.2**